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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

0002

April 13, 2009

CERTIFIED RETURN RECEIPT
7003 2260 0002 0247 7983

Royce Larsen
Park Valley Quartzite
P. O. Box 836
Park Valley, Utah 84329

Subject: Notice of Cancellation/Termination of Reclamation LOC Number
Park Valley Quartzite, Green Beetle Quarry, S0030017, Box Elder County, Utah

Dear Mr. Larsen:

Please review the enclosed letter from Barnes Banking Company notifying the Division that letter of credit [REDACTED] in the amount of \$18,700.00 being held for reclamation of the Green Beetle Quarry will not be renewed. According to the terms of the letter of credit, the bank may elect not to renew as long as a ninety (90) day notice is given to the Division. These terms have been met; therefore, effective July 3, 2009, the letter of credit will be not be renewed. Paragraph 5 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before June 5, 2009 or the Division will be forced to do any/some of the following:

- Carry out the terms of the LOC number
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

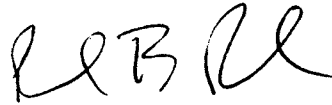


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If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov . Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure: Notice of Non-Renewal

Cc: Opie_abeyta@blm.gov

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